RIO DELL CITY COUNCIL STUDY SESSION REGULAR MEETING DECEMBER 7, 2010 MINUTES

The Study Session/Regular Meeting of the Rio Dell City Council was called to order at 5:30 p.m. by Mayor Woodall.

ROLL CALL: Present: Mayor Woodall, Councilmembers Barsanti, Dunker, Marks, and Thompson

Others Present: City Manager Henrickson, Chief of Police Hill, Finance Director Beauchaine, Acting Public Works Director Jensen, Merritt Perry and Steve Allen from Winzler & Kelly and Clerk Ralston

STUDY SESSION MATTERS

Wastewater Project No. 2 Update

City Manager Henrickson explained the timeline with associated tasks that need to be completed in order to receive grant funds from the State Revolving Fund (SRF) and stated that Winzler and Kelly has not adhered to their own schedule that was provided in September. He also stated that during a conference call with SRF on November 18, 2010 the City was informed that many documents were missing from the application package; and it would not be reviewed until it was complete; and the review would take up to 60 days. Henrickson stated that this was a major issue.

City Manager Henrickson continued that the City cannot approve the start of Project No.2 without a source of funding identified. Additionally, Henrickson stated he contacted a lawyer and if we fail to move forward, we could face several fines.

City Manager Henrickson stated that tonight he would be asking council to approve the contract with HDR for scope of services, but only authorize \$100,000 tonight for completion of certain pre-design tasks in December to finalize our application, and also approve a Notice to Proceed to HDR for the remaining design work in January 2011.

City Manager Henrickson stated that on January 4th, with the Preliminary Funding Commitment (PFC) in place HDR would begin design, and they would be 50% complete by Feb.15th with a third party review built in.

City Manager Henrickson also explained he was exploring a lump sum contract with HDR. The advantage is that they will allow sixty day funding at 1% of the unpaid balance per month. Also, he was currently working with RCAC to have the amount of our bridge loan increased from \$400,000 to \$1,100,000 in order to continue to fund the design work so that we are completing the schedule tasks necessary

to get the SRF grant. He explained that to get the increased bridge loan we have to raise our sewer rates in January, but that would also provide funding to pay HDR.

Mayor Woodall asked if there were any numbers available with regard to the amount of the rate increase. Henrickson stated that we would know in February. Councilmember Marks asked if the \$100,000 was coming from the general fund and Henrickson replied yes. Henrickson went on to say that, best case will be to get the approved PFC in March. We will have to address our I&I prior to being funded as the peak infiltration is higher than the SRB will allow when funding a project, and RCAC would be the funder for that process.

Merritt Perry of Winzler and Kelly stated that their schedule was not a contract as assumed by the City. Henrickson disagreed. Councilmember Thompson said they were not made aware of the sixty day review by SRF or that there was time constrains. Perry stated the schedule shows the tight timeline, but added that they were confident that they could get it done; adding that two local SRF applications they handled recently did not require sixty day reviews.

Perry stated that their scope of services states that W&K will assist the City in meeting the tasks according to the schedule. Finance Director Beauchaine said that W&K has always taken the lead, with the City providing any requested backup materials.

City Manager Henrickson stated that Rebecca Crow of W&K gave a report of the project status and she did not address the schedule. Steve Allan stated that they do not control the funding agencies, and they were not made aware of the sixty day review and found out at the same time as the City was notified.

City Manager Henrickson stated that the City could face fines in the amount of 80% of the costs of Project No.1 if we do not move forward, and he plans to make recommendations with regard to the I&I in January with two approaches that will be explored.

There being no further discussion, the study session adjourned at 6:15 p.m.

The meeting re-convened at 6:30 p.m.

CONSENT CALENDAR

Mayor Woodall announced the items to be approved on the consent calendar and asked the staff, the public, and the Council members if there was anyone who wished to have any item removed from the consent calendar for separate discussion.

Councilmember Thompson requested item No.5 be removed from the consent calendar for discussion, and Councilmember Marks requested items No. 3, 5, and 11 be removed from the consent calendar for discussion. *Motion made by Marks/ Thompson to approve the*

consent calendar including approval of minutes of the November 16, 2010 regular meeting; approval of the 2010 holiday schedule; approval of progress pay request No. from Mercer-Fraser for the Wildwood Paving Project; approval of Resolution No. 1099-2010 Dedicating a Source of Revenue for Repayment of the State Revolving Fund Loan; approval of the Monument Culvert Project Amendment No.1; authorization for the Chief of Police to sign Operations Agreement with North Coast Rape Crisis; approval of Weapons Disposal Plan; and approval of pay request No. 10 for K.G. Walters Co. Inc. for the Solids and Disposal Project Motion carried 5-0.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Discussion was held on items No. 3, 5, and 11 removed from the consent calendar. Councilmember Marks questioned the amounts due on the two water bill claim adjustments, and stated she wanted to see a policy so that customer water bills are not allowed to get so high. Councilmember Thompson was also concerned with the dollar amounts due on the water bill claim adjustments, and he asked if the bills are evaluated for shut off by amount due or time past due. Finance Director Beauchaine responded both water bill claim adjustments are within the policy limits set forth in the water bill ordinance adding that the shut off list is generated by length of time debts are past due. Councilmember Dunker asked where the backup documentation (receipts) was. City Manager Henrickson stated that he did not have the backup info as Karen Dunham prepared the staff reports and currently she was out of the office due to illness. Councilmember Marks /Thompson made a motion to deny the claims. City Manager Henrickson suggested carrying the item over to the January 4, 2011 meeting for further documentation. *Motion made by Councilmember Dunker/Barsanti to carry the item over to the Jan. 4, 2011 meeting.* Motion Carried 4-1 with Councilmember Marks casting the dissenting vote.

Discussion was held on item No. 11 from the consent calendar; Approve Scope of Work from Freshwater Environmental Services for Development of a Draft Sewer Use Ordinance and Enforcement Response Plan. Councilmember Marks stated that when the ordinance is done she wants the city to receive a value for grease if hauled out of the city by a commercial vender as it has a value. Motion made by Councilmembers Marks /Barsanti to approve Scope of Work from Freshwater Environmental Services for Development of a Draft Sewer Use Ordinance and Enforcement Response Plan. Motion Carried 5-0.

<u>Direct City Manager to Develop Recommendations regarding Wastewater Project II and contract services for Council Consideration on January 4, 2011</u> *Motion made by Councilmembers Marks/Barsanti.* **Motion Carried 5-0.**

<u>Draft Eel River Valley Food Collaborative, Business, and Development</u> Councilmember Thompson said that George Williamson of Planwest Partners stated, at the last meeting on this topic, that he had some people with a warehouse that he would contact, and he inquired if that was done. Councilmember Marks said the document that was written does not represent what

was presented to council. City Manager Henrickson stated the document implies that the city would assist with funding the new business. Councilmembers Marks and Barsanti both stated that the \$13,000 match by the city was not introduced until after we received the grant. City Manager Henrickson and Finance Director Beauchaine both stated that in order to preserve our relationship with the Headwaters Grant Foundation we needed to move forward on this item.

Brownfield's Project Update Finance Director Beauchaine stated that the Final Phase II document will be ready in January, two outreach meetings have been held to date, and they are currently developing an educational plan with HSU, and concluded by stating we may not do a market study in order to stay within budget, as it is not required. Councilmember Marks asked when the assessment will be done. Finance Director Beauchaine answered in the spring of 2011. Mayor Woodall asked what was a market analysis and Beauchaine replied it looks at retail markets for site feasibility.

Sharon Wolff asked if the zoning at the site was still the same. City Manager Henrickson stated that Planwest Partners was directed to rezone the site for future uses.

PG&E Wireless Smart Meter Program Extensive discussion was held on the potential of smart meters being installed in Rio Dell. Councilmembers raised concerns regarding health, safety, and privacy issues, along with the potential loss of fifteen Humboldt County jobs. Mayor Woodall stated that the City of Fairfax, San Francisco, and the State of Hawaii have applications in to the Public Utilities Commission asking to stall the installation of the smart meters until more research is done about them, and asked if we could pass a moratorium until more information was available. Councilmember Marks also requested a moratorium. City Manager Henrickson suggested council recommend he bring back a document/ordinance regarding a moratorium on the installation of smart meters in Rio Dell. Motion made by Councilmembers Thompson/Dunker made motion to direct the City Manager to Prepare an Emergency Ordinance for a moratorium on the installation of Smart Meters in Rio Dell. Motion Carried 5-0

Approve Contract Agreement with HDR Engineering for Design on the Wastewater Facility and Effluent Disposal Project City Manager Henrickson stated this was the item he discussed during the Study Session held just prior to tonight's meeting. Councilmember Marks asked if we had money in the General Fund to cover the \$100,000. City Manager Henrickson replied yes, in the Debt Service Fund, and stated that the document was in draft form as we have to evaluate the two types of payment offered by HDR: Lump Sum or Time and Materials. Motion made by Dunker/Marks to Approve Contract Agreement with HDR Engineering for Design on the Wastewater Facility and Effluent Disposal Project with two changes. Motion Carried 5-0.

Approve Final Operations Budget and Review Draft Combined Balance Sheet for the Fiscal Year Ending 9/30/10 Finance Director Beauchaine explained the attached document and highlighted the revenues and expenditures from each fund. Motion made by Dunker/Barsanti to Approve Final Operations Budget and Review Draft Combined Balance Sheet for the Fiscal Year Ending 9/30/10. Motion Carried 5-0.

Review Operations Budget and Combined Balance Sheet for the Period Ending 9/30/10 Finance Director Beauchaine explained the attached document and explained the revenues for each fund.

ORDINANCES/SPECIAL RESOLUTIONS

Approve Resolution No. 1100-2010 Accepting the Certification of Votes for the November 2, 2010 General Election City Manager Henrickson stated that this was part of the normal process and added we will seat the new council at the January 4, 2011 meeting. *Motion made by Thompson/Marks to Approve Resolution No. 1100-2010 Accepting the Certification of Votes for the November 2, 2010 General Election.* **Motion Carried 5-0.**

<u>Public Hearing, Introduction, and First Reading (by title only) of Ordinance 268-2010 State</u>

<u>Video Service Franchise Ordinance Implementing "DIVCA", the Digital and Video Competition Act of 2006</u> Mayor Woodall opened the public hearing.

Sharon Wolff stated the ordinance was not on the City website so there was no information available.

Bud Leonard stated the Cities of Fortuna and Eureka have already passed this Ordinance.

There being no further public comment the public hearing was closed.

Councilmember Marks requested Sean McLaughlin be present at the next Council meeting to answer questions. City Manager Henrickson stated that the City had little say here adding most likely this was going to the state level. *Motion made by Marks/Dunker for Introduction, and First Reading (by title only) of Ordinance 268-2010 State Video Service Franchise Ordinance Implementing "DIVCA"*, the Digital and Video Competition Act of 2006 Motion Carried 5-0.

Public Hearing, Introduction, and First Reading (by title only) of Ordinance 269-2010 Adopting California Building Codes and Appendices and Repealing Title 15, Chapter 15.05.020 – Building Codes of the Rio Dell Municipal City Manager Henrickson stated that we are required every three years to adopt all new building codes. Mayor Woodall opened the public hearing. There being no comment from the public the public hearing was closed.

Councilmember Thompson asked if the code addresses fire extinguishers in new buildings. City Manager Henrickson replied yes it does and we will research how that affects our water meters and come back next month with more information. *Motion made by Marks/Dunker for* . *Introduction, and First Reading (by title only) of Ordinance 269-2010 Adopting California Building Codes and Appendices and Repealing Title 15, Chapter 15.05.020 – Building Codes of the Rio Dell Municipal.* **Motion Carried 5-0.**

PUBLIC PRESENTATIONS

John Coleman-stated that he understood the fiscal reasons for not having the annual Christmas Tree Lighting Ceremony, but he hopes that our community will pull together and still have the event.

REPORTS/STAFF COMMUNICATIONS

City Manager Henrickson advised council that the next coming months were going to be challenging as we have many issues to face.

Finance Director Beauchaine stated that her primary focus has been financing issues with Project 2, and she stated that the TDA Audit went well with no findings.

Police Chief Hill stated they were still conducting the Traffic Survey and he expected to be done collecting data by the following week. Mayor Woodall stated she liked the way Fortuna's parking was set up and asked when the next Traffic Meeting was. Hill stated he would let her know.

Public Works Director Jensen stated that both projects: Wildwood Avenue Paving and the Solids and Disinfection Mgt. projects were complete and operational.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Marks thanked Councilmember Dunker for his tenure as a City Councilmember.

Councilmember Dunker stated that his seat on the Water Quality Board required being a city elected official, but the board has two more openings and it was determined, that he qualified for either of those two seats.

ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Mayor Woodall announced the Council would be adjourning to closed session to discuss the following item: Conference with Real Property-Negotiator: Ron Henrickson, City Manager. Under Negotiation: Price, Terms, and Other Considerations.

The Council adjourned to Closed Session at 8:04 P.M.

The regular meeting reconvened at 8:20.

Mayor Woodall announced the items discussed in closed session.	
Action was taken to approve the hiring of appraiser Charles W. Petty for the amount of \$4,000.00.	
ADJOURNMENT	
There being no further business to discuss, the meeting adjourned at 8:25 P.M. to the Janu 2011 regular meeting.	ıary 4,
Attest: Julie Woodall, Mayor	_
Carla Ralston, Clerk	